

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$494,968		\$594,713	
FEDERAL FUNDS		See Below		See Below
OTHER FUNDS				
TOTAL FUNDS	\$494,968		\$594,713	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 983 changes commercial driver's licensing (CDL) provisions to provide compliance with federal regulations regarding the issuance of commercial driver's licenses and commercial driver's license permits. The Department of Motor Vehicles (DMV) indicates the bill will increase expenditures of the department to revise the commercial driver's licensing process in the state. The fiscal impact of the bill is as follows including increased costs for compliance officers, examinations of applicants for CDL's, and computer programming relative to CDL driver license cards. The state will lose federal highway administration funding if the provisions of the bill are not carried out.

Compliance Officers: DMV indicates the new federal regulations will require the department to increase oversight and monitoring of persons involved in skills testing for CDL applicants. This includes both examiners employed by the state and about 63 third party examiners. The department projects the need for 3.0 Compliance Officers at an estimated on-going annual cost of \$189,603 of cash funds in FY16. The officers will be hired on January 1, 2015 at a cost of \$116,852 of cash funds in FY15, which includes one-time expenses of \$22,050 for capital outlay.

Examinations of applicants for CDL's: The federal rules and regulations require applicants to have a CDL learner's permit prior to getting a CDL. The testing of applicants is more restrictive because the segments of the examination must be administered and successfully completed in a certain order and applicants may not continue to the next segment of an examination if one segment is failed. DMV will need to have additional examiners available to test CDL applicants because the amount of time devoted to individuals will likely be greater than currently required and more retests will occur.

The department indicates the need for 10.0 Examiners to be placed in various examining stations throughout the state. The estimated on-going fiscal impact for the examiners is \$405,110 of cash funds in FY16. The examiners will be hired on January 1, 2015 at a cost of \$240,116 of cash funds in FY15, which includes one-time expenses of \$39,450 for capital outlay.

CDL Driver License Card Changes: One-time computer programming expenses will be incurred for the development of a new card type for non-domiciled CDL learner's permit and CDL licensees. The CDL card will also have to be modified to include additional endorsements and restrictions. DMV estimates the computer programming to make the changes will cost \$138,000 of cash funds in FY15.

Criminal Record Checks for Third-Party Testers: The bill provides for criminal record checks for third-party skills test examiners. DMV and the State Patrol indicate there is no fiscal impact for these provisions because the record checks of third-party testers are currently conducted by the State Patrol and paid for by DMV.

Penalty for Non-compliance: The bill ensures that Nebraska will be in compliance with federal regulations relating to the issuance of commercial driver's licenses. If the state does not comply, the penalty, according to the Department of Roads, is the loss of \$13.7 million of federal highway administration funds in FY15 and the loss of \$27.4 million of federal funds in FY16.

Summary: The bill will increase the staff for the DMV by 13.0 FTE, three additional compliance officers and ten examiners, beginning on January 1, 2015 at an on-going annual expense of \$594,713 of cash funds. Increased expenditures for the new employees and related operating expenses, for 50% of a fiscal year, total \$295,468 of cash funds in FY15. There will also be one-time cash fund expenses of \$199,500 in FY15 for computer programming and capital outlay expenses.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 983	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles (DMV)
REVIEWED BY: Elton Larson	DATE: 1/30/2014	PHONE: 471-4173
COMMENTS: DMV analysis and estimate of fiscal impact appear reasonable.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 983	AM:	AGENCY/POLT. SUB: Nebraska Dept. of Roads (NDOR)
REVIEWED BY: Elton Larson	DATE: 1/31/2014	PHONE: 471-4173
COMMENTS: NDOR estimate of federal revenue loss assumes LB 983 does <u>not</u> pass. There is no fiscal impact to NDOR with the passage of LB 983.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 983	AM:	AGENCY/POLT. SUB: Nebraska State Patrol (NSP)
REVIEWED BY: Elton Larson	DATE: 1/31/2014	PHONE: 471-4173
COMMENTS: LB 983 has no fiscal impact to NSP.		

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 31-Jan-14 Phone: 471-3902 Fax: 471-9594
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-2015		FY 2015-2016	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 494,968		\$ 607,137	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 494,968	\$ -	\$ 607,137	\$ -

Explanation of Estimate:

LB 983 provides for compliance with certain federal regulations regarding commercial drivers' licenses and commercial learners' permits. DMV will incur increased operational costs to bring the Nebraska commercial driver licensing (CDL) process into compliance with the federal regulations.

The CDL/CLP final rule requires increased covert and overt auditing and monitoring of CDL skills testing of both state and third party CDL examiners. Currently, DMV is able to only provide monitoring of less than 2.5% of all CDL skills testing. With the addition of three CDL Compliance Officers would allow DMV to increase the level of monitoring to over 15%. There are currently 63 third party examiners in addition to state examiners providing CDL testing in Nebraska.

Estimated cost of Compliance Officers

Description	FTE	Annual	Benefits	Total/FTE	Start-up Costs	Total Annual
Compliance Officers	3.0	\$ 36,150	\$14,099	\$ 50,249		\$ 150,747
Vehicle Costs	3	\$ 7,212				\$ 21,636
Food and Lodging	3	\$ 4,960				\$ 14,880
Communication	3	\$ 780				\$ 2,340
Purchase of office and field equipment	3	\$ 4,200			\$ 12,600	
Computer-cellphones	3	\$ 3,150			\$ 9,450	
Total for Compliance Officers					\$ 22,050	\$ 189,603

It is requested that appropriation for the compliance officers be available January 1, 2015 to allow for the hiring and training processes.

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2014-2015	FY 2015-2016
	14-15	15-16	EXPENDITURES	EXPENDITURES
Compliance Officers	3.0	3.0	\$ 54,225	\$ 110,890
Examiners	10.0	10.0	\$ 144,365	\$ 295,226
Benefits			\$ 77,450	\$ 158,385
Operating			\$ 200,670	\$ 6,120
Travel			\$ 18,258	\$ 36,516
Capital Outlay				
Aid				
Capital Improvements				

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 31-Jan-14 Phone: 471-3902 Fax: 471-9594
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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Due to more restrictive testing requirements and elements, DMV will not be able to provide CDL testing in all of the county locations. DMV has determined that CDL testing is feasible in only 21 locations in Nebraska. Due to the increased testing elements, each CDL test will take more time and more than likely increase the number of required retests. In order to absorb the additional workload associated with the CDL tests and also to mitigate the impact of citizens visiting DMV stations for other services 10 additional examiners are requested. These examiners would be placed in locations impacted by the CDL testing workload increases.

Estimated cost of Examiners

Description	FTE	Annual	Benefits	Total/FTE	Start-up Costs	Total Annual
Examiners	10.0	\$ 28,873	\$ 11,260	\$ 40,133		\$ 401,330
Auto Test License	10				\$ 4,500	\$ 3,780
Desktop PC	10				\$ 12,000	
Scanners	10				\$ 1,200	
Printers	5				\$ 750	
Auto Test Tablets	9				\$ 13,500	
Examiner Uniforms	10				\$ 3,500	
Eye Test Machines	5				\$ 4,000	
Total for Examiners					\$ 39,450	\$ 405,110

It is requested that appropriation for the compliance officers be available January 1, 2015 to allow for the hiring and training processes.

Computer Programming Costs

LB 983 will require computer modifications to the Nebraska Driver License System. These changes will be done with DMV employees and will not require additional appropriation. Modifications to the Driver License Issuance System will, however, require additional appropriation. Changes include development of a new card type for non-domiciled CLP and CDL holders, and changes to the actual card for additional endorsements and restrictions. These changes are estimated to cost \$138,000.

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 983

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Dept of Roads

Prepared by: ⁽³⁾ Becky Fleming

Date Prepared: ⁽⁴⁾ 1/30/14

Phone: ⁽⁵⁾ (402) 479 4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	<u>(\$13,700,000)</u>	_____	<u>(\$27,400,000)</u>
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(\$13,700,000)</u>	<u>_____</u>	<u>(\$27,400,000)</u>

Explanation of Estimate:

LB 983 changes provisions relating to commercial driver's licenses and commercial learner's permits. According to Dept of Motor Vehicles the changes made in this bill are mandated by FMCSA regulations. Portions require compliance by May 21, 2014 and others by January 3, 2015.

The penalty for non-compliance is loss of a portion of FHWA core program funds. Impact to NDOR has been preliminary estimated at \$13.7 million in FY15 and \$27.4 million in FY16 and subsequent year's loss of funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 983

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾

Carol Aversman

Date Prepared: ⁽⁴⁾

01-28-2014

Phone: ⁽⁵⁾

402-479-4945

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>No Fiscal Impact</u>	<u>No Fiscal Impact</u>	<u>No Fiscal Impact</u>	<u>No Fiscal Impact</u>

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>No Fiscal Impact</u>	<u>No Fiscal Impact</u>